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January 7, 2003

Ms. Luly Massaro
Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

Dear Ms. Massaro:

We are filing herewith, for effect February 6, 2003, tariff material consisting of:

PUC RI No. 20

Section	Revision of Page(s)	Original of Pages
2	<u>6,12,13,14</u>	14.1,14.2,14.3

This tariff filing revises Verizon Rhode Island's intrastate access tariffs to clarify the requirements and regulations pertaining to the jurisdictional determination of Switched Access traffic and customer reporting of the Switched Access percentage of interstate usage ("PIU") factors. Verizon is not proposing to change the manner in which PIUs are provided and updated by the customer in Rhode Island. There is no modification necessary to current processes associated with the submission and processing of customer-provided PIU factors. The tariff revisions include the addition of dispute resolution language giving the customer the ability to seek arbitration in instances where there is a dispute over PIU factors. The language and regulations pertaining to the Company's ability to obtain data from customers to verify and/or correct those factors has also been modified.

Attached are an original and nine copies of the tariff pages and supporting documentation. If you have any questions regarding this filing, please contact Philip Wood at 401-525-2133.

Respectfully submitted,

Theresa L. O'Brien

Attachments

Jurisdictional Report Requirements

VERIZON – RHODE ISLAND

TARIFF FILING SUPPORT PACKAGE

**Verizon – Rhode Island
Jurisdictional Report Requirements
Tariff Filing Support Package**

Clarification and Modification of Jurisdictional Report Requirements

Verizon is submitting revisions to its Rhode Island intrastate access tariffs to better clarify the requirements and regulations pertaining to the jurisdictional determination of Switched Access traffic and a customer's reporting of the Switched Access percentage of interstate usage ("PIU") factors. Verizon is **not** proposing to change the manner in which PIUs can be provided and updated by the customer in Rhode Island. Consequently, neither the customers nor the Company will be required to modify the current processes associated with the submission and processing of customer-provided PIU factors. The language and regulations pertaining to the Company's ability to obtain data from customers to verify and/or correct those factors has been modified, and the tariff revisions include the addition of dispute resolution language giving the customer the ability to seek arbitration of PIU factor disputes.

Summary Of Proposed Tariff Changes

◆ **Clarification of Jurisdictional Determination of Switched Access Traffic**

1. The definition of an interstate communication is clearly differentiated between Feature Group A/Feature Group B and Feature Group C/Feature Group D.
2. When an access customer provides access services to other carriers, the projected PIU factor that it provides to Verizon should be a weighted average of its own end user customers and the other carrier's end user customers.

◆ **Jurisdictional Report Verification**

The tariff will permit Verizon, by written request, to ask a customer to provide the records of call detail and other information that it uses to develop its PIU factors to Verizon for inspection and verification. Based on the customer's response to the request, the following will occur:

1. If the customer responds to the request and provides data that substantiates its filed PIU factors, no further action will be taken.
2. If the customer responds to the request and provides data that supports a different PIU than the last reported PIU on file, Verizon will use that data to adjust the customer-provided PIU factor.
3. If the customer responds to the request, but does not provide the necessary data to substantiate its last reported PIU factor on file with Verizon, then a default PIU of 50% will be applied to the account beginning on the 46th day following the initial written request and continue through the date that the customer provides an updated PIU factor with supporting data.
4. If the customer does not respond to the request, then a default PIU of 50% will be applied to the account beginning on the 46th day following the initial written request and continue through the date that the customer provides an updated PIU factor with data that supports the development of the updated PIU factor.

If Verizon applies a revised or default PIU to the customer's account in lieu of the customer-provided PIU factor, then the customer may dispute the application of the revised or default PIU in accordance with the contested jurisdictional report process detailed in the this tariff filing. In all cases, the revised or default PIU will be applied only to traffic for which Verizon does not have sufficient call detail to determine the jurisdiction of the traffic.

◆ **Maintenance of Customer Data**

The customer must retain, for a minimum of twelve (12) months, call detail records that substantiate its PIU factor(s) on file with Verizon. If a customer uses a mechanized system, then a description of the system and the methodology used to determine the PIU will also be required.

◆ **Contested Jurisdictional Reports**

If Verizon applies a revised or default PIU factor to the customer's account in lieu of the last PIU factor reported by the customer, the customer would have the option to contest the application of such revised or default PIU. The customer may use arbitration to contest the application of a revised or default PIU or may exercise its right to file a complaint or legal action in a court of law or at the Rhode Island Public Utilities Commission for resolution of the dispute.

If arbitration is pursued, the arbitrator will determine the appropriate PIU based on the evidence provided by both parties. The PIU factor(s) determined by the arbitrator will be used for each category of traffic where a PIU factor is needed to categorize the traffic as interstate or intrastate. Verizon will apply such PIU factor(s) to all future access minutes of use with unknown jurisdiction (i.e., for which there is insufficient call detail for Verizon to identify the jurisdiction of the traffic) until the customer provides Verizon with records of call detail or other data that are sufficient to substantiate the customer-provided PIU factors. Verizon will have the option of requesting additional support for PIUs after twelve (12) months following the arbitration decision.

◆ **Legal Remedy**

Verizon has had great difficulty in achieving cooperation from customers whose PIUs appear to be inaccurate or suspicious. There are also cases in the industry where customers of other local exchange carriers were found to have significantly misrepresented their PIUs¹ and had committed actual fraud in reporting of PIUs.² In cases where customers deliberately misreport their PIU factors and/or act in a fraudulent manner, it is imperative that Verizon retain the right to pursue any and all other legal remedies, whether in addition to, or in lieu of, the above procedures, to recover any under-billed switched access charges associated with incorrect customer-provided PIU factors.

¹ *See, e.g.*, State of North Carolina Utilities Commission, Docket No. P-447, Sub 5, In the Matter of BellSouth Telecommunications, Inc., v. Thrifty Call, Inc., Notice to Parties (rel. Apr. 11, 2001)

² *See, e.g.*, "Long Distance Service Provider NTS Communications and Two Executives Charged with Defrauding Southwestern Bell Telephone of Millions in Long Distance Usage Fees", February 28, 2002, US Attorney's Office for the Western District of Texas, <http://www.usdoj.gov/usao/twx/press2002.htm> and Attachment A; "Higher Power, Baby Bells Intensify Probe of Inaccurate Reporting," J. Long, Phone+ (April 2002) <http://www.phoneplusmag.com/articles/241FEAT2.html>.